Saskatchewan
Finance

Annual Report 2002

Extended Health Care Plan For Certain Other Retired Employees

103-04264/

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Saskatchewan
Finance

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to transmit herewith the first Annual Report of the Extended Health Care Plan For Certain Other Retired Employees for the year ending December 31, 2002.

I have the honour to be, Madam,

Your obedient servant,

Jim Melenchuk
Minister of Finance

Saskatchewan
Public Employees
Benefits Agency

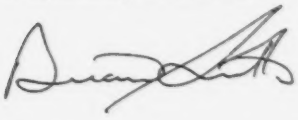
The Honourable Jim Melenchuk
Minister of Finance
Regina, Saskatchewan

Sir:

Letter of Transmittal

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the first Annual Report of the Extended Health Care Plan For Certain Other Retired Employees for the year ending December 31, 2002.

Respectfully submitted,



Brian Smith
Executive Director

INTRODUCTION

The Extended Health Care Plan For Certain Other Retired Employees was established on January 15, 2002.

The Fund is used to account for the transactions of the Extended Health Care Plan For Certain Other Retired Employees which provides health care benefits to certain out-of-scope retired employees.

As at December 31, 2002, participation in the Plan has been approved by the Lieutenant Governor in Council for out-of-scope retired employees of the Government of Saskatchewan as defined under *The Public Service Act.*

The following employers participate in the Extended Health Care Plan for Certain Other Retired Employees:

Board of Arbitration under *The Surface Rights Acquisition and Compensation Act* (The)
Chief Electoral Officer (Office of the)
Children's Advocate (Office of the)
Farm Land Security Board
Horned Cattle Fund
Information and Privacy Commissioner (Office of the)
Milk Control Board
Ombudsman (Office of the)
The Government of Saskatchewan with respect to members of the Public Service of Saskatchewan as defined under *The Public Service Act, 1998*
Saskatchewan Archives Board
Saskatchewan Municipal Board

OPERATION OF THE PLAN

ADMINISTRATION

The Public Employees Benefits Agency has established a fund pursuant to *The Financial Administration Act, 1993* for the purpose of providing benefits under the Plan. The Board of Trustees is responsible for the management and investment of the Fund. The Board of Trustees consists of 4 representatives as nominated by the Saskatchewan Public Service Commission and appointed by Minister's Order.

The Plan pays a premium subsidy to Group Medical Services who provide insured extended health coverage to eligible retirees. The Plan's risk is limited to the payment of the monthly premium subsidy as follows:

Single	$4.00/month
Couple	$6.00/month
Family	$10.00/month

FUNDING

For the period January 1, 2002 to December 31, 2002, the General Revenue Fund (GRF), on behalf of the Plan, paid premium subsidies to Group Medical Services. The amount paid from the General Revenue Fund is recorded as due to GRF and is repayable with interest when funding for the Plan becomes available effective July 1, 2003.

BENEFITS

A retiree is eligible for benefits immediately following retirement.

Claims are paid on behalf of all family members and covers certain health and vision care benefits.

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

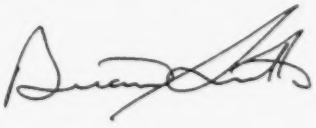
As members of management of the Extended Health Care Plan For Certain Other Retired Employees, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

We believe the Extended Health Care Plan For Certain Other Retired Employees has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

A Board of Trustees, as nominated by the Public Service Commission and appointed by Minister's Order, has been established and is responsible for reviewing the ongoing operations of the Plan.

We enclose the financial statements of the Extended Health Care Plan For Certain Other Retired Employees for the year ended December 31, 2002 and the Provincial Auditor's report on these financial statements.



Brian Smith
Executive Director
Public Employees Benefits Agency

Perry Bahr
Director, Benefit Programs
Public Employees Benefits Agency

Regina, Saskatchewan
February 11, 2003

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER RETIRED EMPLOYEES

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2002

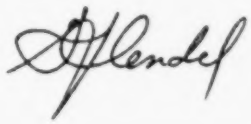
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Extended Health Care Plan for Certain Other Retired Employees as at December 31, 2002 and the statement of operations and net assets for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
February 11, 2003

Fred Wendel, CMA, CA
Provincial Auditor

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER RETIRED EMPLOYEES
STATEMENT OF FINANCIAL POSITION

STATEMENT 1

AS AT DECEMBER 31

	2002
ASSETS	-
Total assets	-
LIABILITIES	
Due to General Revenue Fund (Note 3)	$ 1,356
Total liabilities	$ 1,356
NET ASSETS (DEFICIT) (Statement 2)	$ (1,356)

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER RETIRED EMPLOYEES
STATEMENT OF OPERATIONS AND NET ASSETS

STATEMENT 2

FOR THE YEAR ENDED DECEMBER 31

	2002
REVENUES	
Employer contributions (Note 1)	$ -
EXPENSES	
Insurance premium subsidy	$ 1,356
	1,356
Deficit for the year	(1,356)
NET ASSETS, BEGINNING OF YEAR	-
NET ASSETS (DEFICIT), END OF YEAR – to Statement 1	$(1,356)

(See accompanying notes to the financial statements)

EXTENDED HEALTH CARE PLAN FOR CERTAIN OTHER RETIRED EMPLOYEES
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2002

1. Description of the Plan

The Extended Health Care Plan for Certain Other Retired Employees (Plan) was established on January 15, 2002 pursuant to subsection 64(2) of *The Financial Administration Act, 1993*. The Plan provides extended health care benefits to eligible out-of-scope retired employees of the Government of Saskatchewan.

The Plan is to be funded from employer contributions, whose participation in the Plan has been approved by the Lieutenant Governor in Council. Funding for the Plan will commence July 1, 2003 with a contribution rate of 0.25% of regular pay as approved by the Minister of Finance.

The Government through the Minister of Finance entered into an agreement with Group Medical Services for a period of 2 years expiring December 31, 2003. The Plan pays a premium subsidy to Group Medical Services who provide insured extended health coverage to eligible retirees as outlined in the agreement. The Plan's risk is limited to the payment of a monthly premium subsidy equal to $4.00 per single policy, $6.00 per couple policy and $10.00 per family policy.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

3. Due to General Revenue Fund

For the period January 1, 2002 to December 31, 2002, the General Revenue Fund (GRF), on behalf of the Plan, paid premium subsidies to Group Medical Services. The amount paid from the General Revenue Fund is recorded as due to GRF and is repayable with interest when funding for the Plan becomes available in 2003.

The fair value of the amount due to GRF approximates its carrying value because of its short-term nature.

4. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). Related party transactions with the Plan are in the normal course of operations and are recorded at the agreed upon exchange amounts charged by these organizations.

The Plan is managed by the Public Employees Benefits Agency (PEBA).

In accordance with established government policy, the Plan has not been charged with certain administrative costs. These costs have been absorbed by various departmental appropriations and therefore, no provision for such costs are reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.